

different services covering the Central Ministries, attached offices and institutions. Recommendations of the Expenditure Reforms Commission will provide valuable inputs for decision by Government.

**Outstanding Loans of NE States**

602. SHRI KHAGEN DAS: Will the Minister of FINANCE be pleased to "state:

(a) whether the State Governments of North Eastern Region have requested Government to write off all the outstanding loans till March, 2000; and

(b) if so, the action taken in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Some of the State Governments including those from North Eastern region have requested from time to time to write off their outstanding loans. The Eleventh Finance Commission, as per its term of reference was required to make an assessment of the debt position of all States and suggest such corrective measures as are deemed necessary, keeping in view the long term sustainability for both the Centre and the States. The Eleventh Finance Commission has since submitted its Report including the measures for debt relief. The Government of India has accepted the recommendations of the EFC with regard to debt relief of the States as contained in the main report for 2000—2005.

**Tax Evasion by M/s. Novartis India Ltd.**

603. SHRI VIJAY SINGH YADAV: Will the Minister of FINANCE be pleased to state:

(a) whether M/s. Novartis India Ltd. has evaded Rs. 2.35 crores tax;

(b) if so, the details thereof;

(c) what action Government propose to take in the matter; and

(d) whether the company is proposed to be blacklisted by Government on this account?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI GINGEE N. RAMACHANDRAN): (a) and (b) Sir, M/s Novartis India Ltd., are alleged to have evaded Central Excise duty to the tune of Rs. 2.35 crore. This relates to classification of pesticides and formulations.

(c) A Show Cause Notice demanding Central Excise Duty to the tune of Rs. 2.35 crore has been issued to M/s Novartis India Ltd., Goa.

(d) No Sir.

**10 per cent Budgetary allocation to NE States**

604. DR. ARUN KUMAR SARMA: Will the Minister of FINANCE be pleased to state:

(a) the Departments exempted from making 10 per cent budgetary allocation to NE in terms of PM's special package;

(b) the reasons for such exemption; and

(c) the list of Departments which have not complied with 10 per cent allocation during the last three years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) All Union Ministries and Departments are required to spend at least 10% of their allocations on schemes/projects for the benefit of the North Eastern Region and Sikkim. Some Union Ministries/Departments have been specifically exempted from the requirement because of the location/scheme specific nature of the plan provision in the Budget. A list of Departments exempted during 2000-01 is enclosed as statement. (See below)

(c) In the Budget, provision of 10% for North-East is now required to be shown as a separate minor head in the grants of all Departments except those which have been specifically exempted.

**Statement**

*List of Departments exempted from making 10 per cent budgetary allocation to NE States in terms of PM's special package*

1. Expenditure